

Senate Budget and Fiscal Review
SUBCOMMITTEE NO. 1

EDUCATION
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PART II

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I. STAFF DEVELOPMENT

GOVERNOR'S PROPOSED BUDGET proposes to allocate funding for 58 existing categorical programs through a K-12 Categorical Block Grant, in order to provide school districts with increased fiscal and programmatic flexibility.

There are approximately eleven professional development programs administered by the California Department of Education nine of which are proposed by the Governor to be included in his proposed categorical program block grant; the other like-programs would remain independent. Following is a list and brief description of those staff development programs proposed by the Governor for consolidation:

Instructional Time and Staff Development Day Buyout (\$202.2 million) – Allocates funding to Local Educational Agencies (LEA's) to provide up to three days of staff development for certificated teachers and up to 1 day for instructional aides and teaching assistants.

Teaching as a Priority (TAP) (\$78 million) – A block grant that is awarded on a competitive basis to low-performing school districts in order to provide incentives to employ and retain teachers in hard-to-staff schools. Recruitment and retention "incentives" may include such things as: signing bonuses, improved working conditions, teacher compensation and housing subsidies.

Peer Assistance and Review (PAR) (\$76.6 million) Replaced the Mentor Teacher program. Provides funding to LEA's to develop programs in which experienced teachers consult other teachers in subject matter knowledge and teaching strategies. Funds allocated by the CDE while the LEA's determine the program at the local level through collective bargaining.

Beginning Teacher Support and Assessment (BTSA) (\$75.4 million) – Designed to enhance the success and retention of beginning teachers by providing individuals support and assessment of teaching practices. Funding levels were previously set to cover 100 percent of the target (new teacher) audience.

Administrator Training (\$4.7 million) – Operated by the California School Leadership Academy, this program is designed to improve administrator's clinical supervision and leadership skills.

Advanced Placement Teacher Training (\$3.2 million) – Funding used to train teachers (or teams of teachers) in advanced levels of specified subject matter.

Bilingual Teacher Training (\$1.6 million) – Established to prepare teachers in the appropriate teaching methodologies to facilitate the acquisition of English and the academic development of English learners. Grants are awarded through an application

process to 14 centers that provide specialized training to teachers who are assigned to English learners.

Intersegmental Staff Development (\$1.9 million) -- Funds two programs—(1) the Comprehensive Teacher Education Institutes, which researches, develops, and disseminates innovative models of teacher preparation, and (2) the College Readiness program, which funds full-time math coaches.

National Board Certification Incentive Program (\$10.3 million) – Funding provides monetary incentives for teachers to become certified by the National Board for Professional Teaching Standards. One-time awards are either \$10,000 for teachers who achieve National Board Certification or \$20,000 for Nationally-Board Certified Teachers who agree to teach in low-performing schools.

Following are the two Proposition-98 funded professional development programs not included in the Governor’s Block-Grant Proposal. According to the Administration, these programs were not included because they were designed to be “short-term” programs that would eventually be discontinued, and as such, the Administration believes that funding for these programs shouldn’t be included in an ongoing block-grant program.

Math and Reading Professional Development (\$27.9 million) – Establishes an incentive program to encourage districts to provide teachers and aides with standards-based professional development in math and reading.

Principal Training Program (\$26.2 million) – Provides professional development training to school administrators, with priority granted to Administrators serving in low-performing and hard-to-staff schools.

Furthermore, the Governor proposes to eliminate all but one of the *California Subject Matter Projects* which are administered by the University of California. The Governor proposes to retain \$10 million for the Science Subject Matter Project (\$5 million in federal funds and \$5 million in State Non-98 General Fund).

LEGISLATIVE ANALYST RECOMMENDATIONS. In response to the Governor’s “mega” block grant proposal, the Legislative Analyst has offered a series of smaller block-grant alternatives, which would include the development of a new *Academic Improvement Block Grant Program*.

Specifically, the LAO proposes to combine 22 programs that support staff development, instructional or curricular support, or class size reduction and appropriate a total of \$2.8 billion for these activities. Funds would be available for a wide range of general school improvement activities. (Handout from the LAO will be available at the hearing).

II. COMMUNITY COLLEGES

A. CONCURRENT ENROLLMENT – STATUS REPORT/UPDATE ON AUDIT ACTIVITIES

As part of the December Revision, the Governor proposed to permanently reduce funding for the California Community Colleges by \$80 million due to perceived inconsistencies related to students enrolled concurrently at public high school and community college campuses. While it was familiar with the anecdotal evidence of inappropriate activity, the Legislature rejected the Governor's proposal due to a lack of concrete information and proof related to the scope and depth of the problem.

At our hearing on April 7, 2003, the Community College Chancellor's Office indicated that it would have information available on the outcome of the audit at the beginning of May. At this time, the Committee would like to ask the Chancellor's Office, the Department of Finance and the Legislative Analyst for an update on this issue.

III. UNIVERSITY OF CALIFORNIA

A. FOLLOW UP ON UC MERCED

The Governor's Budget proposes to augment expenditures for UC Merced by \$11.3 million, bringing total funding in 2003-04 to \$37.97 million. Of this amount, \$21.3 million is related to start-up operations of the campus and \$16.6 million is related to the planning and construction of new buildings, as well as the refurbishment of temporary facilities at the former Castle Air Force Base. Including the amount proposed in the Governor's 2003-04 Budget, the state has expended over \$90 million of General Fund and \$190.1 million bond funds to develop the campus (\$280.2 million total).

Staff notes that the Merced campus was originally intended to open in the Fall of 2005, with 1,000 full-time equivalent (or 1,036 "headcount") students, and the UC was on-track to meet this opening date. As part of the 2000-01 Governor's Budget, the Administration requested that the opening date be expedited to Fall of 2004. While rushed, the UC believes it can indeed open the campus in 2004.

Many issues related to the proposed UC campus at Merced were previously discussed at our hearing on March 17, 2003. At this time the committee would like to explore, in more detail: (1) the start-up and operating budgets for the campus; (2) the personnel and compensation related costs; (3) the number of staff and faculty already hired by the university, including their job descriptions and functions; and (4) the potential for additional cost savings if the Legislature acted to defer the opening of the campus until Fall of 2005.

VI. Proposed Consent

Staff recommends that the following items be Approved as Budgeted.

Amend Item 7980-001-0001. *April Finance Letter*. California Student Aid Commission. Student Expenses and Resources Survey (SEARS). Increase to Reimbursements \$289,000.

Add Item 6440-491. *May Finance Letter*. University of California. Reappropriation of Item 6440-302-6028, Budget Act of 2002. For UC Berkeley: Seismic Safety Corrections, Hertz Hall.

Add Item 6440-491. *May Finance Letter*. University of California. Reappropriation of Item 6440-302-6028, Budget Act of 2002. For UC Los Angeles: Engineering 1 Seismic Mitigation.

Add Item 6440-491. *May Finance Letter*. University of California. Reappropriation of Item 6440-302-6028, Budget Act of 2002. For UC Riverside: Heckmann International Center for Management Construction and Equipment.

Add Item 6440-492. *May Finance Letter*. University of California. Extend Liquidation of Item 6440-302-0574, Budget Act of 2002. For UC Santa Cruz: Physical Science Building.

Increase Item 6610-301-0658. *May Finance Letter*. California State University. Increase item by \$241,000 to reappropriate unspent construction funds for the CSU Pomona Engineering Labs Replacement Project.

Amend Item 6610-491. *May Finance Letter*. California State University. Reappropriation of Item 6610-301-0001, Budget Act of 2000. For CSU Chico: Telecommunications Infrastructure Upgrade.

Amend Item 6610-491. *May Finance Letter*. California State University. Reappropriation of Item 6610-302-0574, Budget Act of 2001. For CSU Fresno: Science II Replacement Building.

Amend Item 6610-491. *May Finance Letter*. California State University. Reappropriation of Item 6610-302-0574, Budget Act of 2001. For CSU Fullerton: Auditorium/Fine Arts Instructional Facility.

Amend Item 6610-491. *May Finance Letter*. California State University. Reappropriation of Item 6610-302-0574, Budget Act of 2001. For CSU Sacramento: Academic Information Resource Center.

Amend Item 6610-491. *May Finance Letter*. California State University. Reappropriation of Item 6610-302-0574, Budget Act of 2001. For CSU San Bernardino: Science Building Renovation/Addition, Phase 1 Annex.

Amend Item 6870-490. *May Finance Letter*. California Community Colleges. Reappropriation of Construction funds for Long Beach City College, Child Development Center.

Amend Item 6870-490. *May Finance Letter*. California Community Colleges. Reappropriation of Working Drawing funds for San Francisco Community College District, Mission Center Building.